

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

Soverain Software LLC,

Plaintiff,

v.

J.C. Penney Corporation, Inc,
Amway Corp.,
Avon Products, Inc.,
Bidz.com, Inc.,
HSN, Inc.,
HSN Improvements, LLC,
Cornerstone Brands, Inc.,
Ballard Designs, Inc.,
Garnet Hill, Inc.,
Smith & Noble, LLC,
The Territory Ahead, Inc.,
QVC, Inc.,
Shutterfly, Inc.,
Victoria's Secret Stores Brand Management,
Inc.,
Victoria's Secret Direct Brand Management,
LLC,
VistaPrint, Ltd., and
VistaPrint USA, Inc.

Defendants.

Civil Action No. 6:09-cv-274 LED

JURY

**SOVERAIN'S ANSWER TO COUNTERCLAIMS OF VICTORIA'S SECRET STORES
BRAND MANAGEMENT, INC. AND VICTORIA'S SECRET DIRECT BRAND
MANAGEMENT, LLC**

Soverain Software, LLC ("Soverain"), by and through its attorneys, answers the Counterclaims of Victoria's Secret Stores Brand Management, Inc. and Victoria's Secret Direct Brand Management, LLC (collectively, "VS") as follows:

Parties

1. On information and belief, Soverain admits the allegations of Paragraph 1.

2. On information and belief, Soverain admits the allegations of Paragraph 2.
3. Soverain admits the allegations of Paragraph 3.

II. JURISDICTION AND VENUE

4. Soverain admits that VS purports to assert counterclaims under the Patent Laws of the United States, Title 35 of the United States Code, and the Declaratory Judgment Act, Title 28 of the United States Code, but denies that VS has stated a cause of action or any grounds for such relief.

5. Soverain admits the allegations of Paragraph 5. Soverain admits that VS purports to assert that its claims require declaration by this Court, but denies that VS has stated a cause of action or any grounds for such relief.

6. Soverain admits that the Court has subject matter jurisdiction over the action.

7. Soverain admits the allegations of Paragraph 7.

8. Soverain admits that venue is proper in this District.

First Counterclaim (Declaratory Judgment of Patent Non-Infringement of the '314, '492 and '639 patents)

9. Soverain restates its responses to Paragraphs 1-8 as though fully set forth herein.

10. Soverain denies the allegations of Paragraph 10.

11. Soverain denies the allegations of Paragraph 11.

12. Soverain denies the allegations of Paragraph 12.

13. Soverain admits that VS purports to seek a judgment declaring that the claims of the '314, '492 and '639 patents are not infringed, but denies that VS has stated a cause of action or any grounds for such relief.

Second Counterclaim (Declaratory Judgment of Patent Invalidity of the '314, '492 and '639 patents)

14. Soverain restates its responses to Paragraphs 1-13 as if fully stated herein.

15. Sovereign admits the allegations of Paragraph 15.
16. Sovereign denies the allegations of Paragraph 16.
17. Sovereign denies the allegations of Paragraph 17.
18. Sovereign denies the allegations of Paragraph 18.
19. Sovereign admits that VS purports to seek a judgment declaring that the claims of the '314, '492 and '639 patents are invalid, but denies that VS has stated a cause of action or any grounds for such relief.

Sovereign denies that Counterclaim Plaintiff VS is entitled to the relief requested in their Prayer for Relief, Paragraphs (1) – (6) inclusive.

WHEREFORE Sovereign prays for an Order:

- A. Granting judgment in Sovereign's favor on all claims in VS's counterclaims;
- B. Dismissing VS's counterclaims with prejudice;
- C. Awarding Sovereign its attorneys' fees, expenses and costs in defending against VS's counterclaims;
- D. Awarding Sovereign the relief sought in its Complaint; and
- E. Awarding Sovereign such other relief as the Court deems just and proper.

Dated: October 8, 2009.

Respectfully submitted,

By: /s/ Michael C. Smith
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Attorneys for Plaintiff Soverain Software, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) this the 8th day of October, 2009. Any other counsel of record will be served by facsimile transmission and/or first class mail.

/s/ Michael C. Smith
Michael C. Smith